

FILED
8/13/2024

KSR

1:24-cr-00379

Judge Virginia M. Kendall
Magistrate Judge Maria Valdez
RANDOM/CAT.3

THOMAS G. BRUTON
CLERK, U.S. DISTRICT COURT

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA

v.

JOSEPH FISCHER

No.

Violation: Title 18, United States
Code, Section 1343

The ACTING UNITED STATES ATTORNEY charges:

1. At times material to this Information:

a. The 21st Century Community Learning Centers Program, ("21st Century"), was a federally-funded program that awarded grants to support the creation of community learning centers providing academic enrichment opportunities during non-school hours for children, particularly students attending high-poverty and low-performing schools.

b. The United States Department of Education allotted 21st Century funds to state educational agencies, which were responsible for reviewing grant applications and awarding the grant funds to schools and community-based organizations. In Illinois, the Illinois State Board of Education administered 21st Century Community Learning Centers Program funds.

c. The 21st Century grants had five-year terms. Applicants were required to submit an initial grant application and an accompanying budget. If an applicant was awarded a grant, rendering the applicant a grantee, in each subsequent year of the grant term, the grantee had to submit an annual budget. In

the application and budgets, the grantee was required to identify individuals that would be working on the grant, describe their job duties, and specify their pay. To receive disbursements of grant funds, the grantee was required to submit periodic expenditure reports, in which the grantee had to assert whether individuals in fact had performed job duties, as asserted in the application and applicable budget, for the hours/period covered by the expenditure report.

d. Defendant, JOSEPH FISCHER, was the Executive Director of America Baila: Folkdance Company of Chicago (“America Baila”), a not-for-profit entity incorporated in Illinois with an office in Evanston, Illinois that provided afterschool programs to publicly funded schools in the Chicago area.

e. America Baila applied to the Illinois State Board of Education for two 21st Century grants, one in 2014 (“ACES”) and the other in 2018 (“SAIL”). The Illinois State Board of Education approved both grant applications.

f. Individual A was identified in both grant applications as a paid employee of America Baila who would be performing work described in the grant applications.

2. Beginning in or around July 2014 and continuing through in or around December 2019, in the Northern District of Illinois, Eastern Division, and elsewhere,

JOSEPH FISCHER,

defendant herein, knowingly devised, intended to devise, and participated in a scheme to defraud and to obtain money from the 21st Century Community Learning Centers Program, through the Illinois State Board of Education, by means of

materially false and fraudulent pretenses, representations, and promises, as further described below.

3. It was part of the scheme that defendant fraudulently induced the Illinois State Board of Education to disburse funds from the federally-funded 21st Century program by submitting false and fraudulent grant applications and accompanying annual budgets for the ACES and SAIL grants, in which he falsely inflated America Baila's projected annual salary expenses by falsely claiming that Individual A would be working certain hours and performing certain job duties in connection with the grants. As defendant knew, Individual A would not be working those hours or performing those job duties.

4. It was further part of the scheme that defendant prepared and submitted, and caused to be prepared and submitted, to the Illinois State Board of Education, false and fraudulent periodic expenditure reports for the ACES and SAIL grants, in which defendant falsely represented that Individual A in fact had worked the projected number of hours on the job duties, as outlined in the grant applications and annual budgets, and was therefore owed a proportionate share of a projected annual salary. As defendant knew, Individual A had not worked those hours or performed those job duties.

5. It was further part of the scheme that, by submitting the above-described fraudulent grant documentation, defendant intended to, and did, fraudulently cause the Illinois State Board of Education to disburse to America Baila

grant funds to pay Individual A for work that defendant knew Individual A had not performed.

6. It was further part of the scheme that defendant, via payroll for America Baila, paid a salary to Individual A from the grant funds received from the Illinois State Board of Education, knowing that Individual A had not performed the job duties required to earn the salary.

7. It was further part of the scheme that defendant concealed, misrepresented, and hid, and caused to be concealed, misrepresented, and hidden, the existence, purpose, and acts done in furtherance of the scheme.

8. As a result of the scheme, defendant FISCHER caused a loss of at least approximately \$430,985 in 21st Century program funds administered by the Illinois State Board of Education.

9. On or about August 20, 2019, at Evanston, in the Northern District of Illinois, Eastern Division, and elsewhere,

JOSEPH FISCHER,

defendant herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of wire communication in interstate commerce certain writings, signs, and signals, namely, payment instructions regarding a transfer of approximately \$14,306, from the Illinois State Board of Education to a bank account titled to America Baila, ending in -8256;

In violation of Title 18, United States Code, Section 1343.

FORFEITURE ALLEGATION

The Acting United States Attorney further alleges:

1. Upon conviction of an offense in violation of Title 18, United States Code, Section 1343 as set forth in this Information, defendant shall forfeit to the United States of America any property which constitutes and is derived from proceeds traceable to the offense, as provided in Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

2. If any of the property described above, as a result of any act or omission by a defendant, cannot be located upon the exercise of due diligence, has been transferred or sold to, or deposited with, a third party, has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty, the United States of America shall be entitled to forfeiture of substitute property, as provided in Title 21, United States Code, Section 853(p).

**MICHELLE
PETERSEN**

 Digitally signed by MICHELLE
PETERSEN
Date: 2024.08.11 22:57:54 -05'00'

Signed by Michelle Petersen, on behalf of
MORRIS PASQUAL
ACTING UNITED STATES ATTORNEY